



The Comptroller General  
of the United States

Washington, D.C. 20548

## Decision

Matter of: Anna L. Janni  
File: B-236571  
Date: November 9, 1989

### DECISION

The issue in this case is whether Ms. Janni, an employee of the Internal Revenue Service, may be reimbursed for several real estate expenses incurred incident to her transfer in 1988. The expenses relate to the purchase of a residence at her new duty station, and the sale of a residence at her old station by a relocation service contractor. On the record presented, there is no legal basis for allowance of any of the expenses claimed.

Concerning the purchase of the new residence, the agency properly disallowed the loan set-up fee (also referred to as an "escrow agent's fee") on the basis that the fee was paid as a condition to obtaining a loan. As such, it is a finance charge, which is a nonreimbursable item under the Federal Travel Regulations (FTR), para. 1-6.2d(2)(e) (Supp. 4, Aug. 23, 1982), incorp. by ref., 41 C.F.R. § 101-7.003 (1988). The claimant's contention that the charge is reimbursable under the Internal Revenue Service Employees Relocation Guide does not change the result. The Federal Travel Regulations govern employee relocation expense entitlement. Where the agency guide is inconsistent with the FTR, any erroneous information contained therein is not binding on the government. See Mark Kroczyński, 64 Comp. Gen. 306 (1985), and cases cited.

The two hazard insurance items are nonreimbursable, without exception, under FTR, para. 2-6.2d(2)(a), since such insurance is against loss or damage to property. See Mark Kroczyński, 64 Comp. Gen. 306, supra.

The fee for a structural inspection is not reimbursable as an incidental charge under FTR, para. 2-6.2f, unless the service was "required," that is, imposed by law or by the lender. Leonard L. Garofolo, 67 Comp. Gen. 449 (1988). Therefore, it was proper for the agency to provide Ms. Janni with the opportunity to establish that the inspection was

C47072 / 139995

required. See Louis H. Schwartz, B-231485, Jan, 19, 1989. If Ms. Janni can provide documentation from the lender or copies of local laws which indicate that such inspections are required, the fee may be reimbursed.

Ms. Janni also claimed reimbursement of a loan origination fee of 3-1/2 percent, of which the agency allowed only 1 percent. FTR, para. 2-6.2d(1)(b) (Supp. 26, Nov. 25, 1987), provides that reimbursement of this fee may exceed 1 percent only if the employee shows by clear and convincing evidence that the higher rate does not include prepaid interest, points, or a mortgage discount, and that this higher rate is customarily charged in the area where the residence is located. Here, the agency properly limited reimbursement to 1 percent based on information from the title company that 1 percent is the customary charge in the area and that the additional 2-1/2 percent of the fee was for points. See Constant B. Chevalier, 66 Comp. Gen. 627 (1987).

We also concur with the agency's disallowance of the fee for inspection of the old residence. The agency states that since Ms. Janni used the services of a relocation company, FTR, para. 2-12.5b (Supp. 11, Aug. 27, 1984), prohibits reimbursement of any expenses that would result in dual benefits because such expenses are analogous or similar to expenses or the cost for services that the agency will pay for under the relocation service contract. The record indicates that payment of the inspection fee would result in such a dual payment. See Louis H. Schwartz, B-231485, supra.

  
James F. Hinchman  
General Counsel